

SENATE BILL NO. 273

BY SENATOR HEWITT

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AN ACT

To enact R.S. 44:4.1(D) and Chapter 31-A of Title 51 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 51:2111 through 2116, relative to registration with the secretary of state by managed service providers and managed security service providers servicing public bodies; to provide requirements for doing business; to provide for definitions; to provide for exceptions to public records law; to provide for time limitations on the reporting of cyber incidents; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 44:4.1(D) is hereby enacted to read as follows:

§4.1. Exceptions

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D. The provisions of this Chapter shall not apply to any writings, records, or reports of cyber incidents or payment of cyber ransoms submitted to the Louisiana Fusion Center pursuant to R.S. 51:2114 for sixty days from the date of submission of the reports to the commission, nor shall this Chapter apply to information that constitutes critical infrastructure information as defined in 6 U.S.C. 671 regardless of whether the information has been shared with any federal governmental agency.

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Section 2. Chapter 31-A of Title 51 of the Louisiana Revised Statutes of 1950, comprised of R.S. 51:2111 through 2116, is hereby enacted to read as follows:

**CHAPTER 31-A. MANAGED SERVICE PROVIDERS
AND MANAGED SECURITY SERVICE PROVIDERS
FOR PUBLIC BODIES**

1 **§2111. Scope and purpose**

2 **A. The purposes of this Chapter are:**

3 **(1) To create a registration for managed service providers and managed**
4 **security service providers doing business in this state with a public body.**

5 **(2) To provide access for public bodies to obtain information on managed**
6 **service providers and managed security service providers.**

7 **(3) To require managed service providers and managed security service**
8 **providers to report cyber incidents and the payment of cyber ransom or**
9 **ransomware.**

10 **§ 2112. Definitions**

11 **As used in this Chapter, the following words and phrases shall be defined**
12 **as follows:**

13 **(1) "Cyber incident" means the compromise of the security,**
14 **confidentiality, or integrity of computerized data due to the exfiltration,**
15 **modification, or deletion that results in the unauthorized acquisition of and**
16 **access to information maintained by a public body.**

17 **(2) "Cyber ransom or ransomware" means a type of malware that**
18 **encrypts or locks valuable digital files and demands a ransom to release the**
19 **files.**

20 **(3) "Louisiana Fusion Center" means the Department of Public Safety**
21 **and Corrections, office of state police, Louisiana State Analytical and Fusion**
22 **Exchange.**

23 **(4) "Managed service provider" means an individual, partnership,**
24 **corporation, incorporated or unincorporated association, joint stock company,**
25 **reciprocal, syndicated, or any similar entity or combination of entities that**
26 **manages a public body's information technology infrastructure or end-user**
27 **systems. The term shall not include any entity providing communications**
28 **services subject to regulation or oversight by the Louisiana Public Service**
29 **Commission or the Federal Communications Commission.**

30 **(5) "Managed security service provider" means an individual,**

1 partnership, corporation, incorporated or unincorporated association, joint
2 stock company, reciprocal, syndicated, or any similar entity or combination of
3 entities that provides a managed security service for a public body.

4 (6) "Managed security service" means a network and system security
5 service that has been outsourced to a third-party service provider pursuant to
6 a written agreement specifying the service and in which the service provider has
7 assumed operational control of the monitoring and management of the public
8 body's cybersecurity. The term shall not include a cybersecurity consulting
9 service or customer-managed service purchased from the provider.

10 (7) "Provider" means a managed service provider or managed security
11 service provider that requires remote management or operational control of a
12 public body's network or end user systems.

13 (8) "Public body" means any branch, department, office, agency, board,
14 commission, district, governing authority, political subdivision, or any other
15 instrumentality of the state, parish, or municipal government, including a
16 public or quasi-public nonprofit corporation designated as an entity to perform
17 a governmental or proprietary function.

18 §2113. Requirements for doing business

19 A. A provider shall not provide managed security services to a public
20 body in this state unless the provider has registered with the secretary of state
21 and remains in good standing.

22 B. Beginning February 1, 2021, each provider that manages a public
23 body's information technology structure, security, or end-user systems in this
24 state shall file an application for initial registration with the secretary of state
25 consisting of the provider's name, address, telephone number, contact person,
26 designation of a person in this state for service of process, and provide a listing
27 of all officers, all directors, and all owners of ten percent or more of the
28 provider. Additionally, the provider shall file a copy of its basic organizational
29 documents, including but not limited to articles of incorporation, articles of
30 organization, articles of association, or partnership agreement.

1 **C. A registration shall be effective for two years, unless the registration**
2 **is denied or revoked. Ninety days prior to the expiration of a registration, a**
3 **provider shall submit a renewal application on a form prescribed by the**
4 **secretary of state.**

5 **D. Each registrant shall notify the secretary of state of any material**
6 **change in the registration information no later than sixty days after the effective**
7 **date of such change. The notice shall be accompanied by supporting**
8 **documentation.**

9 **§2114. Notification of cyber incidents and payment of cyber ransoms**

10 **A. To the extent a provider has actual knowledge of a cyber incident,**
11 **which impacts a public body, the provider shall notify the Louisiana Fusion**
12 **Center of the cyber incident within twenty-four hours of discovery of the**
13 **incident.**

14 **B. If a provider has a cyber incident which impacts a public body and the**
15 **provider or public body makes a payment of cyber ransom or ransomware, to**
16 **the extent the provider has actual knowledge of the payment, the provider shall**
17 **report the payment of the cyber ransom or ransomware to the Louisiana Fusion**
18 **Center within ten calendar days of the payment.**

19 **C. A provider who submits a notification pursuant to Subsection A or**
20 **B of this Section, shall include in the notification the name of the impacted body.**

21 **D. A public body shall include the requirements of this Section in its**
22 **contracts with providers. A provider shall be required to comply with the**
23 **provisions of this Section only to the extent the contract between the public body**
24 **and the provider explicitly incorporates the provisions of this Chapter.**

25 **§2115. Prohibition on contracting with a provider**

26 **A public body shall not enter into a contract, for managed security**
27 **services, with a provider that has not registered with the secretary of state or**
28 **has failed to renew its registration with the secretary of state. Such a contract**
29 **shall be null and void.**

30 **§2116. Rules**

1 **The secretary of state shall adopt rules and regulations to implement the**
2 **provisions of this Chapter.**

3 Section 3. R.S. 51:2116 as enacted by this Act shall become effective on August 1,
4 2020. The remaining provisions of this Act shall become effective on February 1, 2021.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____